

Notes on Pre-Proposers Conference for Examination of the Financial and Technical Controls of the MAGIC System

January 7, 2015

A Pre-Proposers Conference was held on January 7, 2015 at 9:00 AM in the Woolfolk State Office Building. Patrick Dendy, Deputy State Auditor, opened the conference with a brief overview of the process. Bill Doss, Director of Financial and Compliance Audit Division, OSA, then moderated the meeting.

There were three (3) unanswered questions included in information distributed recently which were addressed.

Question #8 – Does the State have an estimated date that DFA's assertions will be available to the contractor?

Bill Doss directed this question to Diane Langham, Director, Office of Fiscal Management within DFA. Diane's response was they were working on developing the assertions. Bill Doss stated the assertions would be posted on the OSA website as soon as they were completed by DFA.

Question #12 - Is development of the MAGIC system performed by DFA, MMRS, or ITS employees, or is development outsourced to external consultants?

This question was directed to Cindy Crocker, MAGIC Project Director. According to Cindy, SAP was the implementer and provided support for six (6) months post go-live ending December 31, 2014. DFA is now utilizing contract and DFA staff for MAGIC support and defect resolution.

Question #15—For engagement scoping and planning purposes, can the OSA provide a list of all systems that interface with MAGIC that would be in the scope for the examination resulting from this RFP?

According to Diane Langham, Director, Office of Fiscal Management within DFA, many agencies have their own internal software, i.e. MDOT; however, all transactions are executed through MAGIC. Thus, all warrants are created by the MAGIC System. There is a standard formatted interface via which data can be passed to the MAGIC system from other ancillary systems.

At this point the floor was opened for comments or questions from attendees.

Roger Graves, Chief Operating Officer, Department of Information Technology Services, described the MAGIC system and that ITS provides the physical housing for the mainframe and servers in the data center on Eastwood Drive in Jackson, MS. Roger further explained that ITS served much like a "cloud provider" for DFA. However, DFA is responsible for managing the operating systems, security, and applications, as well as performing other day to day functions such as creating backups. ITS only provides assistance when requested by designated parties at DFA. Bill Doss stated he had a document

from ITS which outlined ITS responsibilities related to MAGIC and that this information would be posted on the OSA website.

Donna Sanford, KPMG, asked if there was any pending legislation on funding the audit. Patrick Dendy, Deputy State Auditor, stated that the need for the audit contract had been discussed with committee chairs in the Legislature and they were waiting on the RFP and proposal process to conclude so that the OSA could provide a dollar amount of the project. He also stated that funding for the audit would be considered a deficit appropriation of the current year – not funding in a future period – which would allow the audit contract to proceed as planned.

A question was asked that if there is a delay for any reason, will the deadline(s) be extended. The answer provided was yes, and that a notice would be given of any changes in the deadlines. However, funding for the selected proposal is dependent on Legislature.

Cindy Boyle, BKD, asked for a description of DFA's role in the MAGIC project. Diane Langham, Director, Office of Fiscal Management within DFA, stated that DFA acts in a manner similar to Comptroller for the State of Mississippi. DFA processes all transactions and is responsible for the content of the computer applications and programs. ITS provides the network infrastructure such as connectivity and perimeter firewalls. While individual agencies process and request that payments be processed; only DFA can actually initiate a payment which will result in a warrant being issued. Within MAGIC, there are many edits and controls in place. DFA does not check every transaction but there are different edits in place for difference types of transactions; for the most part, any transaction less than \$1,000 is paid without further pre-audit by DFA, although the transaction will go through the prescribed edits that are in place.

Tim Burns, BKD, stated that the state's payroll process that was originally planned to process through the MAGIC system starting in January, 2015, has been delayed. At this time the state's payroll continues to be processed through the SPHARS system. SPHARS is interfaced with MAGIC.

Mike Skinner, Horne, asked about whether an AIS (Audit Information System) tool was being set up or implemented with MAGIC, and Becky Thompson, DFA MMRS, stated that the system or program mentioned is not one that is not used, nor one with which she is familiar.

Bill Doss, OSA, stated that an email blast will be sent to notify proposers of notes of the Pre-Proposers Conference and any further notes or information that is available on the OSA website. Proposers will also be notified when the assertions have been prepared by DFA and are available.